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9 MAY 1975

MEMORANDUM FOR: Director of Logistics

SUBJECT : Management by Objectives (MBO)

REFERENCE : Memo dtd 8 Apr 75 to DD/A Planning Officers, fr AR/DD/A,
Subj: Management by Objectives and FY 76 Objectives

1. As a result of the attendance of Mr. [REDACTED] and myself at the 25X1A9a first two sessions of the new MBO course, and in response to paragraph 4 of the reference, the following comments are furnished:

a. We both considered the course to be very worthwhile, not only for what it provided us substantively on MBO but also for providing the opportunity to see how the Agency's application of MBO differed from the "ideal" as set forth by the instructors. We recognized that while the Agency said it was managing by objectives, it was, in fact, making only a partial or limited application of MBO. MBO was, and is, being used as a management tool to highlight and track important things to be done during the year, not to manage the day-to-day ongoing business. It was an add-on to other management devices or techniques such as the resource packages, the program call, etc. Nevertheless, MBO, as used in the DDA, has been a valuable management tool in that it provides (1) a good channel of communication between the DDA and office directors (this one-on-one should be extended to D/L-division chief and division chief-branch chief), (2) an early warning system of possible problem areas, and (3) a disciplined approach to keeping on top of the progress of those items considered most important.

b. The "ideal" application of MBO envisages an integrated management system. This would require an analysis of the various management techniques now being used to determine which could be incorporated into a total MBO system.

c. The first order of business, before having any additional runnings of the MBO course, is to determine the degree of commitment the Agency, as a whole, wants to make to MBO. If a total Agency commitment is made, then the next course should include DDA office directors plus operating officials and staff chiefs from other Directorates for:

(1) a mix of ideas

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- (2) opening new communication channels, and
- (3) perhaps beginning to break down some of the barriers inherent in compartmentation.

Subsequent courses then might be tailored to fit two types of groups:

- (1) those who are active participants in the MBO program, and
- (2) those who direct the program (more passive participants).

d. It was stressed repeatedly that top management had to take the lead in implementing MBO. If there is a total Agency commitment then supervision and direction should be from a high level, perhaps within the DCI complex.

e. If there is not a total Agency commitment, there could still be a total commitment within the DDA. In this case, the DDA offices would need:

- (1) goals of the DDA (based upon the goals of the DCI and other Directorates, if possible)
- (2) office goals which are stated in terms of the results which the DDA expects to obtain (expectations from above--ideas from below)
- (3) a continuing MBO training program which would begin with DDA office directors and division chiefs (those who direct), and finally include all branch, section, and unit chiefs (those who actively participate).

f. In conclusion, we recommend the DDA implement MBO as an integrated management system by incorporating such things as APP, PDP, EEO, etc., into it. Not to do so results in duplication of effort and reporting. (They are management systems which were added to an existing one and did not replace anything.) The total MBO system must include our resource packages and financial allocation systems.

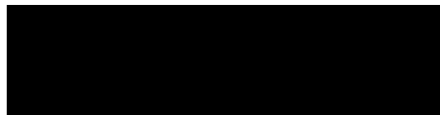
2. One of the questions raised at the Log Conference was "How does the guy at the working level get involved in, and get feedback from, management objectives?" Attached, per your request, is a management objective problem which could be used in future conferences. Do you think it meets the requirement?

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3. Please advise if there is any further information regarding MBO you would like developed for the conference.



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Chief
Plans and Programs Staff, OL

Att

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